

May 25, 2023  
Confidential

South Fraser District Association  
899 Gale Pl  
Delta BC V4M 2P8

Attention: Mr. Irfan Rafiq.

Dear Irfan:

**ENCLOSURES**

We are enclosing:

- One copy of your audited financial statements of South Fraser District Association for the year ended March 31, 2023.
- One copy of the letter of representation.
- One copy of our standard engagement letter.
- One copy of the audit findings report for the year ended March 31, 2023.

**CLOSING COMMENTS**

We have relied on you to provide us with the necessary information in a form sufficiently complete to enable us to prepare the financial statements.

We thank you for the opportunity to be of service to you and trust everything is in order. If you have any questions or concerns, please contact us by email at [admin@niceaccounting.ca](mailto:admin@niceaccounting.ca) or call 604-853-6423.

Yours truly,

*Nice Accounting*

NICE ACCOUNTING

Encl.

**SOUTH FRASER DISTRICT ASSOCIATION**

**Financial Statements**

**Year Ended March 31, 2023**

**SOUTH FRASER DISTRICT ASSOCIATION**

**Index to Financial Statements**

**Year Ended March 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of South Fraser District Association

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of South Fraser District Association (the organization), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Matter*

The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 17, 2022.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

*(continues)*

Independent Auditor's Report to the Members of South Fraser District Association (*continued*)

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Abbotsford, British Columbia  
June 13, 2023

*Nice Accounting*

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NICE ACCOUNTING  
CHARTERED PROFESSIONAL ACCOUNTANT

**SOUTH FRASER DISTRICT ASSOCIATION**

**Statement of Revenues and Expenses**

**Year Ended March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>		
Direct membership fees	\$ 344,599	\$ 382,986
Miscellaneous	6,750	56,931
	<u>351,349</u>	<u>439,917</u>
<b>EXPENSES</b>		
BCSA registration fees	345,972	282,616
District registrar honorariums	46,324	35,837
League affiliation fees	27,180	20,500
District medals and cup play	12,264	10,220
District awards and scholarships	12,250	5,000
Professional fees	5,625	6,753
Office	192	983
Web and communications	-	501
	<u>449,807</u>	<u>362,410</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ (98,458)</u>	<u>\$ 77,507</u>

See notes to financial statements

**SOUTH FRASER DISTRICT ASSOCIATION**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2023**

	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 180,219</b>	\$ 102,712
DEFICIENCY OF REVENUE OVER EXPENSES	<u>(98,458)</u>	<u>77,507</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 81,761</u></b>	<u>\$ 180,219</u>

See notes to financial statements

**SOUTH FRASER DISTRICT ASSOCIATION**

**Statement of Financial Position**

**March 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 63,608	\$ 174,879
Accounts receivable	35,270	23,040
Prepaid expenses	2,333	-
	<b>\$ 101,211</b>	<b>\$ 197,919</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 19,450	\$ 11,700
Deposits received	-	6,000
	19,450	17,700
 <b>NET ASSETS</b>		
General fund	81,761	180,219
	<b>\$ 101,211</b>	<b>\$ 197,919</b>

**APPROVED BY THE DIRECTORS**

*Mohammed Irfan Rafiq*

Mohammed Irfan Rafiq (Jun 20, 2023 16:50 PDT)

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See notes to financial statements



**SOUTH FRASER DISTRICT ASSOCIATION**

**Statement of Cash Flows**

**Year Ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (98,458)	\$ 77,507
Changes in non-cash working capital:		
Accounts receivable	(12,230)	5,560
Prepaid expenses	(2,333)	-
Accounts payable and accrued liabilities	7,750	1,333
Deposits received	(6,000)	(4,000)
	<u>(12,813)</u>	<u>2,893</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(111,271)</b>	<b>80,400</b>
<b>CASH - BEGINNING OF YEAR</b>	<b><u>174,879</u></b>	<b><u>94,479</u></b>
<b>CASH - END OF YEAR</b>	<b><u>\$ 63,608</u></b>	<b><u>\$ 174,879</u></b>

See notes to financial statements

# SOUTH FRASER DISTRICT ASSOCIATION

## Notes to Financial Statements

Year Ended March 31, 2023

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### 1. PURPOSE OF THE ORGANIZATION

South Fraser District Association (the "Association") is incorporated under the Societies Act of British Columbia. The Association aims to foster, develop and administer the game of soccer in the South Fraser district.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Cash and cash equivalents

Cash and cash equivalents consist of cash and bank overdrafts.

#### Fund accounting

South Fraser District Association follows the restricted fund method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

#### Income taxes

The Association is a non-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from federal and provincial income taxes.

#### Revenue recognition

South Fraser District Association follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the general fund when received. Restricted contributions are recognized as revenue when received in the specific fund they relate. Restricted funds for which there is no specific fund are recognized in the general fund using the deferral method.

#### Financial instruments

Unrestricted contributions are recognized as revenue in the general fund when received. Restricted contributions are recognized as revenue when received in the specific fund they relate. Restricted funds for which there is no specific fund are recognized in the general fund using the deferral method.

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### 3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2023.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. The organization has a significant number of customers which minimizes concentration of credit risk.

(continues)

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**SOUTH FRASER DISTRICT ASSOCIATION**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

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3. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and accounts payable.

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4. ECONOMIC DEPENDENCE

The Association is dependent on the continued support of the soccer clubs operating under the jurisdiction of the district to carry out the mission of the Association.

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South Fraser District Association  
899 Gale Pl  
Delta BC V4M 2P8

Attention: Mr. Irfan Rafiq.

Dear Sir:

**Re: Audit Findings**

This letter has been prepared to assist you with your review of the financial statements of South Fraser District Association for the year ending March 31, 2023. We look forward to meeting with you and discussing the matters outlined below.

**Audit Status**

We have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by management;
2. Completing our discussions with the Board of Directors;
3. Obtaining evidence of the Board's approval of the financial statements;

Once these items have been completed, we will date and sign our auditor's report.

**Significant Matters Arising**

***Other Matters***

We have not identified any other significant matters that we wish to bring to your attention at this time.

**Significant Difficulties Encountered**

There were no significant difficulties encountered during our audit.

**Comments on Accounting Practices**

***Accounting Policies***

The significant accounting policies used by the entity are outlined in Note 1 to the financial statements.

- a. There were no significant changes in accounting policies
- a. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances

## Significant Deficiencies in Internal Control

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of TCWG.

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

#	Nature of significant deficiency	Implication for the financial statements	Recommendation
1	<i>The financial reporting processes and internal controls lack segregation of duties.</i>	<i>Significant increase in the risk of fraud and misappropriation of funds or assets.</i>	<i>Implementing procedures to have two individuals assist with the financial reporting.</i>

## Written Representations

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

## Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This letter was prepared for the sole use of those charged with governance of South Fraser District Association to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

*Nice Accounting*

NICE ACCOUNTING

Agreed to on behalf of South Fraser District Association by:

*Mohammed Irfan Rafiq*

Mohammed Irfan Rafiq (Jun 20, 2023 16:50 PDT)

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Mr. Irfan Rafiq

Jun 20, 2023

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Date signed

Encl.

February 29, 2024  
Confidential

South Fraser District Association  
899 Gale Pl  
Delta BC V4M 2P8

Attention: Irfan Rafiq

Dear Irfan:

### **The Objective and Scope of the Audit**

You have requested that we audit the financial statements of South Fraser District Association, which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements (including a summary of significant accounting policies).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement (whether due to fraud or error) and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d. Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements (including the disclosures) and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

### **Form and Content of Audit Opinion**

Unless unanticipated difficulties are encountered, our report will be substantially in the following form contained in Appendix A to this letter.

### **The Responsibilities of Management**

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the financial statements in accordance with ASNPO;
- b. For the design and implementation of such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c. To provide us with timely:
  - i. Access to all the information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
  - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
  - iii. Additional information that we may request from management for the purpose of the audit; and
  - iv. Unrestricted access to persons within South Fraser District Association from whom we determine it necessary to obtain audit evidence.

As part of the audit process:

- a. We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- b. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

### **Use of Information**

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

### **File Inspections**

In accordance with professional regulations (and by our firm policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.



## Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of South Fraser District Association unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the British Columbia *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

## Personal Information Protection Act PIPA (British Columbia)

The purpose of this Act is to govern the collection, use and disclosure of personal information by organizations in a manner that recognizes both the right of individuals to protect their personal information and the need of organizations to collect, use or disclose personal information for purposes that a reasonable person would consider appropriate in the circumstances

Required notification for collection of personal information

1. On or before collecting personal information about an individual from the individual, an organization must disclose to the individual verbally or in writing
  - a) the purposes for the collection of the information, and
  - b) on request by the individual, the position name or title and the contact information for an officer or employee of the organization who is able to answer the individual's questions about the collection.
2. On or before collecting personal information about an individual from another organization without the consent of the individual, an organization must provide the other organization with sufficient information regarding the purpose of the collection to allow that other organization to determine whether the disclosure would be in accordance with this Act.

Acceptance of this engagement acknowledges that in order to provide our services effectively, and we further outline our Privacy Policy below

3. We will collect personal information about you. For example, first name, surname, address, telephone number, email address, job title, and organization (personally identifiable information, or "Personal Information") when you correspond with us in order for us to carry out the engagement of our services. We may use this information to
  - a) Provide you with products and services, and to process transactions.
  - b) Respond to your requests or provide information requested by you or on your behalf.
  - c) Send administrative or account-related information to you.
  - d) Manage your account and provide support or other services.
  - e) Obtain and understand your feedback or user experience.
  - f) Provide a personalized experience, and implement the preferences you request.
  - g) Improve service reliability or improve our services.
  - h) Enhance security, monitor and verify identity or service access, combat spam or other malware or security risks.
  - i) Provide you with marketing and promotional communications (where this is in accordance with the law).
  - j) Post testimonials (with your prior consent).
  - k) Provide quality control and staff training.

## 4. Storage of Digital Information

- a) Our firm utilizes software and storage systems that inherently are outside of Canadian borders. Examples of this include Adobe, Gmail, Google Drive, GoogleDocs, Google spreadsheets, and Hotmail.com accounts, the servers for which all are located outside the Dominion of Canada.

- b) The Nice Client portal, and data contained therein is stored on servers located in the United States by Abacus Data Systems Inc
- c) We ensure to review that all data transfer and storage service providers have exceptionally strong privacy data protection policies (or we would not utilize their services).

We will review and update this Privacy Policy periodically in response to changing legal, technical and business developments. When we update this Privacy Policy we will note the date of its most recent revision in any subsequent engagement letter. If we make material changes to this Privacy Policy, we will take appropriate measures to inform you in a manner that is consistent with the significance of the changes we make and is in accordance with applicable law. We encourage you to review this Privacy Policy frequently to be informed of how Nice Accounting is protecting your information.

### **Reproduction of Auditor's Report**

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

### **Preparation of Schedules**

We understand that you will prepare certain schedules and locate specified documents for our use before our Engagement is planned to commence on .

The requested schedules and documents are as follows:

- a. Schedules and analyses; and
- b. Other specified documents.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or even withdraw from the Engagement.

### **Use and Distribution of Our Report**

The examination of the financial statements and the issuance of our audit report are solely for the use of South Fraser District Association and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than South Fraser District Association.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond South Fraser District Association) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

### **Communications**

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

### **Other Services**

In addition to the audit services referred to above, we will, as allowed by the British Columbia *Code of Professional Conduct /Code of Ethics*, prepare other regulatory forms required by the organization as agreed upon. Unless expressly agreed in a separate engagement letter, we will have no involvement with or responsibility for the preparation or filing of GST and PST returns or any other (including foreign) tax returns, source deductions, information returns, slips, elections, designations, certificates or reports. Management will, on a timely basis, provide the information necessary to complete these federal and provincial income tax returns and will review and file them with the appropriate authorities on a timely basis.

### **Governing Legislation**

This engagement letter is subject to, and governed by, the laws of the Province of British Columbia. The Province of British Columbia will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

### **Ownership**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

### **Accounting Advice**

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

### **Dispute Resolution**

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

### **Indemnity**

South Fraser District Association hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by South Fraser District Association, or its directors, officers, agents or employees, of any of the covenants or obligations of South Fraser District Association herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or the those charged with governance.

### **Limitation of Liability**

Our aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to the total fees for the Engagement. Our liability shall be several and not joint and several. We shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date South Fraser District Association should have been aware of the potential claim. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

## **Use of Auditor Experts, Specialists and Others**

[Any initial audit considerations.]

You hereby authorize us to disclose information of South Fraser District Association to the above-mentioned third-party service provider(s) for the purpose of this Engagement.

## **Time Frames**

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by South Fraser District Association of its obligations.

## **Concerns**

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner or *[insert name of managing or other appropriate partner and phone number]*. We will listen to your concerns and investigate any complaint on a timely basis.

## **Billing**

Our fees and costs may be billed at anytime; at the conclusion of a project, or in advance, and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.50% per month or 19.56% (APR) per annum. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

## **Costs of Responding to Government or Legal Processes**

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable GST and PST) incurred.

## **Termination**

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party *[not less than 30 calendar days before the effective date of termination]*. If early termination takes place, South Fraser District Association shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the audit or are unable to come to a conclusion on the financial statements, we may withdraw from the audit before issuing an auditor's report, or we may issue a denial of assurance on the financial statements. If this occurs, we will communicate the reasons and provide details.

## **Written reports on the supplementary matter(s)**

We have received a request from *[name of third party]*, or are required by law, regulation or agreement *[insert details of the law, regulation or agreement]*, to provide a written report on the supplementary matter(s) arising from our review engagement as described below:

Unless unanticipated difficulties are encountered, our report will be substantially in the form outlined below.

We will perform our work in accordance with CSRS 4460 – *Reports on supplementary matters arising from an audit or a review engagement*. This standard requires that we comply with ethical requirements and plan and perform the procedures necessary to enable us to form a basis for the report provided. We will not be performing an audit or a review engagement on the supplementary matter(s).

Our work will be conducted on the basis that management *[and, where appropriate, those charged with governance]* acknowledge and understand that they are responsible for:

- a. Providing us with access to all information that is relevant to the other reporting responsibility; and
- b. Preparing the supplementary matter, where applicable.

## **Survival of Terms**

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

## **Consequential Loss**

Our firm and its partners, officers or employees will not be responsible for any consequential loss, injury or damages suffered by the client including but not limited to loss of use, earnings and business interruption, or the unauthorized distribution of any confidential document or report prepared by or on behalf of our firm, including the partners, officers or employees of the accounting firm for the exclusive use of the client.

## **Relevant Parties**

The client will not assert any claim for damages against our firm unless the client has concurrently or previously asserted a claim against all other persons who might reasonably be liable in relation to that claim. Any release, waiver, or covenant to otherwise not sue or enforce any remedy known to law given by the client to a third party shall be deemed to apply in favour of our firm.

## **Third Parties**

The financial documents are prepared solely for the use of the client with whom we have entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

## **Foreign Reporting**

It is understood and agreed that the organization is aware of the foreign reporting rules effective for tax years starting in 1996, and we are relying on the organization to provide us with the necessary information. The organization may be required to file information returns to comply with these rules if it has:

1. One or more controlled and not-controlled foreign affiliates (Form T1134). Filing deadline is 10 months after the end of the taxation year.
2. Transferred or loaned property to a non-resident/off-shore trust any time after 1990 (Form T1141). Filing deadline is 6 months after the end of the taxation year.
3. Received distributions from or is indebted to a non-resident trust (Form T1142). Filing deadline is 6 months after the end of the taxation year.
4. Foreign property with a total cost of more than Cdn \$100,000 (Form T1135). Form T1135 is not required if the foreign property (such as shares of a foreign affiliate, an interest in an offshore trust) is reported on one of the other foreign reporting forms above. The filing deadline is six months after the end of the taxation year.

Failure to comply may result in significant penalties that are not deductible for income tax purposes. There are more penalties to those persons who make or participate in the making of a false statement or omission on the new information returns. Therefore, we must impress upon you the importance of carrying out due diligence to file these returns accurately and completely.

## **Conclusion**

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Yours truly,

*Nice Accounting*

NICE ACCOUNTING

The services and terms set out above are as agreed to on behalf of South Fraser District Association by:

*Mohammed Irfan Rafiq*

Mohammed Irfan Rafiq (Jun 20, 2023 16:50 PDT)

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Mr. Irfan Rafiq

Jun 20, 2023

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Date signed

## Appendix A - Expected Form of Report

To the Members of South Fraser District Association

### *Opinion*

We have audited the financial statements of South Fraser District Association (the organization), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flow for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on .

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Appendix A** *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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# SOUTH FRASER DISTRICT ASSOCIATION

899 Gale Pl  
Delta, BC  
V4M 2P8

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June 20, 2023

Confidential

NICE ACCOUNTING  
202 - 33386 S. Fraser Way  
Abbotsford British Columbia V2S 2B5

Dear Sir / Madam:

This representation letter is provided in connection with your audit of the financial statements of South Fraser District Association for the year ended March 31, 2023, for the purpose of you expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

## **Financial Statements**

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 29, 2024 for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations;
- b. Providing you with:
  - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
    - A. Accounting records, supporting data and other relevant documentation,
    - B. Minutes of meetings (such as shareholders, board of directors and audit committees) or summaries of actions taken for which minutes have not yet been prepared, and
    - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
  - ii. Additional information that you have requested from us for the purpose of the audit; and
  - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.
- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

## **Fraud and Non Compliance**

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:

*(continued)*

- i. Management;
  - ii. Employees who have significant roles in internal control; or
  - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
  - c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
  - d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
  - e. The results of our risk assessments regarding possible fraud or error in the financial statements.

### **Related Parties**

We have disclosed to you the identity of all of the organization's related-party relationships and transactions of which we are aware. This includes sales, purchases, loans, transfers of assets, liabilities and services, leasing agreements, guarantees, non-monetary transactions, and transactions for no consideration for the period ended as well as related balances due to or from such parties at the period end.

All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.

### **Estimates**

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

### **Subsequent Events**

All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations requires adjustment or disclosure have been adjusted or disclosed.

### **Commitments and Contingencies**

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

### **Adjustments**

We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

### **Misstatements**

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements, including the reasons why they were not corrected, is attached to this letter.

### **Accounting policies**

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

### **Contractual compliance**

We have complied with the terms and conditions of all contractual agreements that could have a material effect, in the event of non-compliance, on the financial statements.

Acknowledged and agreed on behalf of South Fraser District Association by:

Mohammed Irfan Rafiq

Mohammed Irfan Rafiq (Jun 20, 2023 16:50 PDT)

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June 20, 2023

Date signed

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# SFDSA23-SignaturesRequired

Final Audit Report

2023-06-20

Created:	2023-06-20
By:	Nice Accounting (admin@michaelnice.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA3vqQkFEPLG0a6wnYomWU44jV-rh83QVx

## "SFDSA23-SignaturesRequired" History

-  Document created by Nice Accounting (admin@michaelnice.com)  
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Signature Date: 2023-06-20 - 11:07:59 PM GMT - Time Source: server- IP address: 50.67.95.133
-  Document emailed to mirfan815@gmail.com for signature  
2023-06-20 - 11:08:01 PM GMT
-  Email viewed by mirfan815@gmail.com  
2023-06-20 - 11:39:29 PM GMT- IP address: 64.114.67.226
-  Signer mirfan815@gmail.com entered name at signing as Mohammed Irfan Rafiq  
2023-06-20 - 11:50:04 PM GMT- IP address: 64.114.67.226
-  Document e-signed by Mohammed Irfan Rafiq (mirfan815@gmail.com)  
Signature Date: 2023-06-20 - 11:50:06 PM GMT - Time Source: server- IP address: 64.114.67.226
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2023-06-20 - 11:50:06 PM GMT